

# PROPERTY TAX PROPOSALS

## **GIVE HOOSIERS THE TAX RELIEF THEY WERE PROMISED**

1. **Governor Kernan's Deadline Extension Proposal** -- Extend the filing deadline to December 1, 2003 for homestead and other credits and deductions (*Mortgage, homestead credit, homestead standard deduction, over-65, blind and disabled, veteran-s total disability, veteran-s partial disability, veteran-s World War I, spouse-s Veteran-s World War I*).
2. Rewrite or reinforce provisions of HB 1001(ss02) so that County Treasurers must notify taxpayers of state property tax relief information in CY 2004 bills.
3. Increase homestead deduction from \$35,000 to \$44,000 in 2004, \$39,500 in 2005, and \$35,000 in 2006 and thereafter.
4. Implement a new deduction of \$4500 for homesteads between 50 and 100 years old and \$9000 for homesteads over 100 years old.
5. Implement a new deduction of \$2500 for each homestead or rental unit for which no homestead deduction is provided.

## **GET LOCAL GOVERNMENT SPENDING UNDER CONTROL**

1. Roll back local property tax increases in CY 2004 by:
  - a. Rescinding 2003 local property tax increases to a level no greater than 5% for 2004 on levies that qualify for state Property Tax Replacement Credits (PTRC) (i.e. general operating levies).
  - b. Rescinding current and future ability for local units to ~~Abank@~~unused maximum levy increases.
2. Prohibit the Property Tax Control Board from paying PTRC on ~~Abuffer@~~levies. PTRC has been paid in the past on the ~~Abuffer@~~amounts, increasing the amount of money that the state has to pay in PTRC distributions.
3. *Limit appeals buffers.* Prohibit DLGF from certifying property tax rates if it includes a buffer of more than 2% to pay for successful appeals of assessments.
4. Provide more flexibility for local government borrowing through Indiana Bond Bank to deal with late bills in 2003 and 2004.

## **MAKE THE REASSESSMENT PROCESS FAIR**

1. Empower the Department of Local Government Finance (DLGF) to adjust or take over local reassessment processes (including equalization studies) when assessors fail to meet deadlines or demonstrate an inability to conduct reassessment in an accurate and timely

manner. This would address the *Matonovich* case that limited DLGF powers.

2. *Installment payment option.* Codify that counties may offer an installment payment plan to property taxpayers whose bills increased by 10% or more over their 2002 (payable) tax liability.
3. *Late payment penalty waiver.* Codify that counties may waive the 10% late payment penalty for property taxpayers whose bill increased by 10% or more over their 2002 (payable) tax liability.
4. *Appeal filing extension.* Extend the assessment appeal filing deadline from 45 to 90 days after notification of new assessed value.
5. Set training and qualification standards as requirements for assessors to serve in office (like other elected offices).
6. Reinforce the current requirement that counties must send sales disclosure data to the DLGF electronically.